

Senate Study Bill 1355

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the determination of the escrow amount to be
2 paid by nonparticipating manufacturers in the tobacco master
3 settlement agreement.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2916SC 82
6 pf/cf/24

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1 1 Section 1. Section 453C.1, subsection 10, Code 2007, is
1 2 amended to read as follows:
1 3 10. "Units sold" means the number of individual cigarettes
1 4 sold in the state by the applicable tobacco product
1 5 manufacturer, whether directly or through a distributor,
1 6 retailer, or similar intermediary or intermediaries, during
1 7 the year in question, as measured by excise taxes collected by
1 8 the state on packs bearing the excise stamp of the state or on
1 9 roll-your-own tobacco containers. The department of revenue
1 10 shall adopt rules as are necessary to ascertain the amount of
1 11 state excise tax paid on the cigarettes of such tobacco
1 12 product manufacturer for each year.

1 13 EXPLANATION

1 14 This bill provides a more specific definition of "units
1 15 sold" for the purposes of the tobacco product
1 16 manufacturers' financial obligations, Code chapter 453C, which
1 17 is the basis for determining the amount that a
1 18 nonparticipating manufacturer in the tobacco master settlement
1 19 agreement must place in escrow. Present law provides that
1 20 "units sold" is measured by the excise taxes collected by the
1 21 state. The amended definition provides that "units sold" is
1 22 measured based on only those packs bearing the excise stamp of
1 23 the state.
1 24 LSB 2916SC 82
1 25 pf:mg/cf/24